[*English*]

Constitution of Easwaran Committee to Examine the Fixation of Royalty of Crude Oil

3447. SHRI S.B. SIDNAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government have constituted Easwaran Committee to examine the fixation of rate of royalty of crude oil and natural gas produced in the oil producing State;

(b) if so, the terms of reference of the Committee;

(c) the time by which it is likely to submit its report; and

(d) whether the major oil producing States of the country have submitted a detailed Memorandum to the Committee?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS AND THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI S. KRISHAN KUMAR): (a) Yes, Sir.

(b) The terms of reference are enclosed as Statement.

(c) The Committee has submitted its report on 31.10.1991.

(d) Yes, Sir.

STATEMENT

The terms of reference of the Committee were:-

(1) To examine the various issues pertaining to revision in the rate of Royalty on crude oil and gas, keeping in view:

(i) the need for large investments in the oil and gas sector to reduce the dependence on imports of oil and petroleum products in the coming decade;

(ii) present policy of total reliance on internal resource generation and non-availability of budgetary support for such investments;

(iii) principles followed in the revision in the rate of royalty for various other minerals;

(iv) augmenatation of State revenues by way of sales tax and other taxes due to larger availability of oil and gas through increased investments in this sector and increased economic and industrial activity therefrom;

(v) submissions of the State Governments concerned; and

(vi) any other matter germane to the issue.

(2) To recommend specific principles for periodic revision in the rate of royalty so as to do away with the revision in the rate of royalty so as to do away with the revision in th rate of royalty on ad hoc basis; and

(3) To suggest the periodicity for revision in the rate of royalty, keeping in view the general recommendation of the Sarkaria Commission on the subject.